(SRI D. H CHANDRASEKHARAIYA.)

Government Insurance Department not to carry on this motor business on their own account without making arrangements like this with any other company ?

The Hon'ble Sri H. C. DASAPPA.— It is not like that. There is nothing wrong in such an arrangement. And it is not that we cannot carry on this motor business ourselves. But small arrangement is usually done in the case of motor insurance. Just as the other Governments, Travancore and Cochin have entered into the arrangement of re-insurance, we have also done more or less the same arrangement.

ಶ್ರೀ ಬಿ. ಹುಚ್ಚೇಗೌಡರು (ತುಮಕೂರು ಜಿಲ್ಲೆ).— ಈ ಇಷ್ಯೂರೆನ್ಸ್ ಬಿಸಿನೆಸ್‌ಗೆ ಇಂಡಿಯಾದ ಇಷ್ಯೂರೆನ್ಸ್ ಆಕ್ಟ್ ಅನ್ವಯಿಸುತ್ತದೆಯೇ ?

The Hon'ble Sri H. C. DASAPPA.— Whether it has been extended or not, I want notice.

ಶ್ರೀ ಬಿ. ಹುಚ್ಚೇಗೌಡರು.—ಪ್ರೈವೇಟ್ ಮೋಟಾರು ಇಷ್ಯೂರೆನ್ಸ್ ಮಾಡುತ್ತಾರೆಯೇ ?

The Hon'ble Sri H. C. DASAPPA.— I should think so.

ಶ್ರೀ ಬಿ. ಹುಚ್ಚೇಗೌಡರು.—ಮೋಟಾರು ಇಷ್ಯೂರೆನ್ಸ್ ಬ್ಯಾಂಚು ಇದಕ್ಕೆ ಸಂಬಂಧಪಟ್ಟ ಸಮಿತಿಯ ಅಧಿಕಾರಕ್ಕೆ ಒಳಪಟ್ಟಿದೆಯೇ ?

The Hon'ble Sri H. C. DASAPPA.— I am not sure; may be.

Sri B HUTCHE GOWDA.—It is an administrative matter.

The Hon'ble Sri H.C. DASAPPA.— I want notice. I said in answer to this very question last time that for some time the Public Branch was looking after motor insurance business. Now I am not sure.

ಶ್ರೀ ಬಿ. ಹುಚ್ಚೇಗೌಡರು.—ಒಂದು ವೇಳೆ ಅರೀತಿ ಇಲ್ಲವಾದ್ದರೆ ಆ ಸಮಿತಿಯು ಅಧಿಕಾರಕ್ಕೆ ಒಪ್ಪಿಸುತ್ತೀರಾ ?

The Hon'ble Sri H. C. DASAPPA.— We will consider.

Sri H. M. CHANNABASAPPA (Mysore District—General).— Are there any other companies also which take up this business ?

The Hon'ble Sri H. C. DASAPPA.— May be.

Sri H. M. CHANNABASAPPA.—Had the Government made enquiries before they insured in the Vanguard Insurance Company ?

The Hon'ble Sri H. C. DASAPPA.— No.

Sri H. M. CHANNABASAPPA.—What special features are there in particular for insurance in the Vanguard Insurance Company ?

The Hon'ble Sri H. C. DASAPPA.— They had entered into a similar agreement with the Travancore Government Insurance Department and they approached the Mysore Government. The terms were examined and since they were found very desirable we entered into an agreement with them.

Sri H. M. CHANNABASAPPA.—Have the Government taken care to see whether better terms are obtaining with other companies ?

The Hon'ble Sri H. C. DASAPPA.— So far as I can see, no better terms have been offered.

Sri H. M. CHANNABASAPPA.—Have the Government made any effort to find out whether better terms were offered by any other company ?

The Hon'ble Sri H. C. DASAPPA.— Notice.

Sri H. M. CHANNABASAPPA.—Shall I take it that they have not made any efforts ?

The Hon'ble Sri H. C. DASAPPA.— Notice.

Sri H. SIDDANANJAPPA (Hassan District—General).—Does re-insurance cost anything to the department ?

The Hon'ble Sri H. C. DASAPPA.—I have answered that. A fraction of the premiums that we receive are made over to them.

Sri H. SIDDANANJAPPA.—Is it possible to say how much it costs ?

The Hon'ble Sri H. C. DASAPPA.— Notice.

Mr. SPEAKER.—Next question.

Purchase of Chemicals and Fertiliser plant at Bhadravati.

*Q.-195. **Sri V. M. MASCARENHAS** (Retroceded Area—General).—

Will the Government be pleased to state :—

(*a*) if definite orders have been placed for the Chemicals and Fertiliser Plant at Bhadravati ;

(*b*) if so, the value of the order and the advance paid;

(*c*) when the plant is likely to be ready for shipment;

(*d*) the total capital expenditure involved in the scheme, and how the Government propose to raise the amount?

A.—**The Hon'ble Sri H. C. DASAPPA** (Minister for Finance and Industries).—

(*a*) No orders for plant excepting electrolytic cells have been placed. Even the order for electrolytic cells has not been confirmed by the manufacturers as Letters of Credit have not been established.

(*b*) The value of the order for electrolytic cells is about Rs. 30 lakhs. No advance has been paid.

(*c*) Does not arise as the order for cells has not been confirmed.

(*d*) About Rs. 3 crores.

By a loan from the Centre or by raising private capital and establishing the concern as a Joint-Stock Company.

Sri V. M. MASCARENHAS.—As the answers are clear and explicit I do not propose putting any supplementaries.

Sri L. SIDDAPPA (Shimoga District—General).—What is the estimated cost of the whole scheme?

The Hon'ble Sri H. C. DASAPPA.—It has been stated in answer to (*d*).

Sri L. SIDDAPPA.—Is it according to the revised estimate?

The Hon'ble Sri H. C. DASAPPA.—Yes.

Sri L. SIDDAPPA.—What was the original estimate?

The Hon'ble Sri H. C. DASAPPA.—Just about the same. It is not materially altered.

Sri L. SIDDAPPA.—The original estimate is in the neighbourhood of a crore of rupees, is it not?

The Hon'ble Sri H. C. DASAPPA.—No, no. It is about Rs. 2 crores 75 lakhs. The rise, if at all, is not because of rise in price but only on account of devaluation.

Sri L. SIDDAPPA.—What is the excess in expenditure according to the revised estimate on account of devaluation?

The Hon'ble Sri H. C. DASAPPA.—As I said, we have attempted to transfer a number of items which we had purchased in the dollar areas to sterling areas. It may be Rs. 10 lakhs or Rs. 15 lakhs on the whole.

Sri L. SIDDAPPA.—In what stage is the scheme now?

The Hon'ble Sri H. C. DASAPPA.—The scheme has not made much headway because of finance. I have given an answer that we have only placed an order for electrolytic cells to the tune of about Rs. 30 lakhs and nothing beyond that.

Sri L. SIDDAPPA.—Is it one of the development schemes which have been approved by the Central Government?

The Hon'ble Sri H. C. DASAPPA.—Yes. It had been approved of before we came and then again the scheme was approved by the Government of India.

Sri L. SIDDAPPA.—Have they promised any loan to or participation in the concern?

The Hon'ble Sri H. C. DASAPPA.—They are still considering it. We are negotiating with the Government of India.

Sri L. SIDDAPPA.—Has it come to the notice of the Government that the one established in Sindri is not much of a success?

The Hon'ble Sri H. C. DASAPPA.—It has not come to my notice and I would not like the Hon'ble Member to pursue the question on the floor of this House advisedly.

Sri L. SIDDAPPA.—It is a public matter and it has come up in various journals.

Mr. SPEAKER.—How can we comment upon it?

Sri L. SIDDAPPA.—It is not a confidential matter. It has been discussed threadbare.

Mr. SPEAKER.—How can we discuss it here?

Sri L. SIDDAPPA.—It has a bearing for this reason. Before the Government finally decide about this matter, will they please go through the desirability or otherwise of starting such a scheme here?

The Hon'ble Sri H. C. DASAPPA.—We have fully gone into the whole scheme and we consider that it is a

(THE HON'BLE SRI H. C. DASAPPA.) very desirable scheme if only we could get finance.

Sri L. SIDDAPPA.—In view of the opinions expressed by the experts in the line that a similar scheme started by the Government of India has not been a succes, will you consider the desirability or otherwise of starting such a scheme?

The Hon'ble Sri H. C. DASAPPA.—All opinions have been in favour of our scheme because of the special conditions we have in Mysore—cheap power at the door, water facilities readily available, railway station and siding, township and tram line from the lime-stone mining area to the spot—everything makes it one of the most economically and attractive propositions.

Sri L. SIDDAPPA.—Has this scheme been got examined by the Government of India by any of the Indian experts or by any competent persons outside India?

The Hon'ble Sri H. C. DASAPPA.—The Government of India have gone into the whole scheme and after satisfying themselves have blessed this scheme.

Sri L SIDDAPPA.—In view of what I have brought to the notice of the Government will they please see that the scheme is examined by independent experts either in America or in England?

The Hon'ble Sri H. C. DASAPPA.—It is nothing new. The Sindri-scheme and the Alwaye scheme in Travancore have been gone into and the total output and demand have been taken into calculation and after going through all these it has been found that this would be a very good scheme.

Sri L. SIDDAPPA.—Are the Government aware that when the scheme was first proposed by the Government of Mysore there was a proposal to import this material to acquaint the raiyat population with the use of nitro-lime?

The Hon'ble Sri H. C. DASAPPA.—May be, I am not sure.

Sri L. SIDDAPPA.—Have the Government taken any action to import this material?

The Hon'ble Sri H. C. DASAPPA.—I have said "notice". It is very popular in other countries.

Sri L. SIDDAPPA.—Are the Government aware that it is a highly combustible material?

The Hon'ble Sri H. C. DASAPPA.—Not if it is presented in the form we proposed.

Sri L. SIDDAPPA.—That is why it was thought necessary to import this material from America and make the raiyats and departmental officers acquainted with its use.

The Hon'ble Sri H. C. DASAPPA.—May be.

Sri D. H. CHANDRASEKHARAIYA (Chitaldrug District—General).—Has the scheme been sanctioned by the Government of Mysore already?

The Hon'ble Sri H. C. DASAPPA.—Yes.

Sri D. H. CHANDRASEKHARAIYA.—Is the order for getting electrolytic cells in furtherance of the implementation of the scheme already sanctioned?

The Hon'ble Sri H. C. DASAPPA.—Exactly.

Sri D H. CHANDRASEKHARIAYA.—You have suggested the methods by which you propose to get finance for the scheme. What action has been taken to implement any one of these methods so far as getting necessary finances is concerned?

The Hon'ble Sri H. C. DASAPPA.—All the methods are being vigorously pursued, but we are not very much successful because we are still negotiating with the Government of India.

Sri D. H. CHANDRASEKHARAIYA.—Without getting the necessary finances and the construction of the factory being completed, why was any order placed for these cells?

The Hon'ble Sri H. C. DASAPPA.—At that time it became necessary to place the order and the situation was not so bad in the first instance. Secondly, if we had not placed that order, then, we would have lost about 7 lakhs of rupees because the Belagola factory had placed an order for similar electrolytic cells and they said that if we also placed an order then, there would be no need to duplicate their machinery in the foundry portion and thus we would get a rebate of nearly 29 thousand dollars or roughly

Seven lakhs of rupees. That is the reason why we had to place this order.

Sri G. A. ACHARYA (Bangalore District—General).—Is it a fact that the neighbouring States are interested in the scheme?

The Hon'ble Sri H. C. DASAPPA.—They are considering the matter.

Sri G. A. ACHARYA.—Is it also a fact that some foreign financial assistance was offered to the Government of Mysore in regard to this scheme?

The Hon'ble Sri H. C. DASAPPA.—This is a matter which we are actively pursuing and there are indications that foreign capital would be forthcoming. How far and when is a matter still under correspondence.

Sri G. A. ACHARYA.—What is the quantity of power that is required for the scheme?

The Hon'ble Sri H. C. DASAPPA.—I am sorry I have not got it now. It is a large block, that is required; being a chemical industry power is one of the main factors in the whole project. Since we are generating power at Jog, this forms part of the composite scheme for the utilisation of the power generated there.

Sri H. SIDDAVEERAPPA (Chitaldrug District—General).—Has any amount so far been spent on this scheme?

The Hon'ble Sri H. C. DASAPPA.—Yes.

Sri H. SIDDAVEERAPPA.—How much?

The Hon'ble Sri H. C. DASAPPA.—About 40 thousand dollars.

Sri H. SIDDAVEERAPPA.—With regard to the mode of raising this amount, you said three modes are under contemplation. Are they simultaneously under contemplation or do the Government want to know how far the Government of India is coming to their rescue?

The Hon'ble Sri H. C. DASAPPA.—The latter is true.

Mushir-ul-Mulk Janab J. MOHAMED IMAM (Chitaldrug *cum* Tumkur-Muslim).—What is the amount spent so far on the initiation and working of the scheme?

The Hon'ble Sri H. C. DASAPPA.—I have already stated as 40 thousand dollars and a little more than that for other incidental expenditure.

Janab J. MOHAMED IMAM.—What were the reasons that prompted the Government to place an order even before the factory was constructed?

The Hon'ble Sri H. C. DASAPPA.—That was exactly the question put by the Hon'ble Member Sri D. H. Chandrasekhariya and I have furnished the answer.

Janab J. MOHAMED IMAM.—May I know who advised the Government so far as this is concerned?

The Hon'ble Sri H. C. DASAPPA.—Government had advice of their experts and after detailed consideration of the whole matter, the order was placed.

Janab J. MOHAMED IMAM.—Who are the experts?

The Hon'ble Sri H. C. DASAPPA.—No expert business; it is a question of implementing an agreement which had been entered into between the Chemical Construction Company of America and the Mysore Government.

Janab J. MOHAMED IMAM.—What is the agreement?

The Hon'ble Sri H. C. DASAPPA.—To launchthis scheme.

Janab J. MOHAMED IMAM.—Did the American company advice to place an order for these cells even before the factory went working?

The Hon'ble Sri H. C. DASAPPA.—That was one of the terms of the agreement, that if we placed an order now, we stood to gain Rs. 7 lakhs on that one item.

Janab J. MOHAMED IMAM.—Do they get any remuneration to the advice?

The Hon'ble Sri H. C. DASAPPA.—They get their consulting fee.

Janab J. MOHAMED IMAM.—Will the Hon'ble Minister be pleased to let us know the details of the Agreement?

The Hon'ble Sri H. C. DASAPPA.—If the Hon'ble Member wants, that is a matter which I should consider. I could give him private information because agreements are not placed before the projects are well ahead.

Janab J. MOHAMED IMAM.—Regarding the scheme, have the Government of India held any promise to finance this scheme?

The Hon'ble Sri H. C. DASAPPA.—I have also answered that question in a way, that we are still negotiating with the Government of India.

Janab J. MOHAMED IMAM.—Have the Government of India made any assurance to finance this scheme?

The Hon'ble Sri H. C. DASAPPA.—The same answer as before.

Janab J. MOHAMED IMAM.—If the Government of India does not finance the scheme, what are the other steps proposed to be taken by the Government?

The Hon'ble Sri H. C. DASAPPA.—They are indicated in the answer.

Janab J. MOHAMED IMAM.—Are the Government sure that this concern will get the required capital by floating a Joint Stock Company?

The Hon'ble Sri H. C. DASAPPA.—Well, they have reasonable hopes; all that I can say now is that much.

Sri A. G. BANDI GOWDA (Mandya District—General).—It is said that the total capital expenditure required is about three crores. Is it before the devaluation or after?

The Hon'ble Sri H. C. DASAPPA.—It is after.

Sri A. G. BANDI GOWDA.—Does it include expenditure towards township also?

The Hon'ble Sri H. C. DASAPPA.—Not elaborate township.

Sri A. G. BANDI GOWDA.—It is stated that about 40 thousand dollars have been spent. Does it include the fees for the expert opinion?

The Hon'ble Sri H. C. DASAPPA.—Yes.

Sri H. M. CHANNABASAPPA (Mysore District—General).—Have the Government any definite policy in the matter of starting this industry?

The Hon'ble Sri H. C. DASAPPA.—Yes.

Sri H. M. CHANNABASAPPA.—Shall I take it that the starting of an industry without financial arrangement is also a policy?

The Hon'ble Sri H. C. DASAPPA.—I have already given an answer that at the time of the launching of the project the financial position was sufficiently encouraging.

Sri H. M. CHANNABASAPPA.—Shall I take it that the financial position of the country to-day does not permit to start this industry?

The Hon'ble Sri H. C. DASAPPA.—To-day we have got to reconsider the matter whether it has got to be started as a cent per cent State-owned scheme; not that the Mysore Government's financial position does not permit of its being started as a fully State-owned scheme, but we have got to reconsider the question of allocation of percentages of various funds and so on. We have got a certain ration of earmarking securities towards the funds. It may be seen that sometimes the percentage is 50, 40, 20. It may be that if we revise that ratio and reduce the percentage we may find ample money to launch this project as a fully State-owned concern.

Sri H. M. CHANNABASAPPA.—In the light of our finance not being sufficient to launch this scheme, will the Government shelve it for some time?

The Hon'ble Sri H. C. DASAPPA.—There is no question of shelving it for some time. We have got to reconsider, I said. If we find finance from other agencies it is all right; if not, we have to reconsider, because that might mean, as I said, a change in the percentages of obligatory investments as against the funds we have got to have.

Sri M. GOVINDA REDDY (Chitaldrug District—General).—Is there any such plant in any other part of India?

The Hon'ble Sri H. C. DASAPPA.—No.

Sri M. GOVINDA REDDY.—Has anybody seen such a plant working?

The Hon'ble Sri H. C. DASAPPA.—I could not tell you, but this sulphate of ammonia and nitrate of chalk are well known things and they are working all over the world.

Sri M. GOVINDA REDDY.—My information is that many such plants have not proved useful. That is why

I want to know whether the Government are satisfied this plant that is latest in the model and is bound to give successful work.

Thd Hon'ble Sri H. C. DASAPPA.—That information that such plants have not proved successful, is itself not correct, I must say. These batteries have proved successful practically all over wherever they have been installed and this is one of the latest, on the success of which there need be no doubt.

Sri L. SIDDAPPA (Shimoga District—General).—If the Hon'ble friend has any doubts about the statement made about the success or otherwise of the battery, I would refer him to the article published...

The Hon'ble Sri H. C. DASAPPA.—It is not fair that I should be asked to admit a statement like that,

Sri L. SIDDAPPA.—It is giving him a suggestion that he may go through the entire literature in the matter.

The Hon'ble Sri H. C. DASAPPA.—That literature, of course, we have.

Sri M. GOVINDA REDDY.—Who is the technical expert whose opinion is ascertained with regard to the success of the plant?

The Hon'ble Sri H. C. DASAPPA.—The Chemical Construction Company of New York are a well known concern. They are the people who have given us the Pilot Plant at Belagola and from experience we have known that that is a very useful and good plant, even though it is just a small tiny thing, of 5,000 or 6,000 tons capacity So, we have no doubt about the merits of the scheme itself.

Sri M. GOVINDA REDDY.—I was referring to advice in India. Was any Indian expert examined in this connection and his opinion ascertained?

The Hon'ble Sri H. C. DASAPPA.—Our own experts have gone into the scheme and, as I said, the Government of India people have been coming and examining this of and on and they are all unanimous so far as the virtue of the scheme itself is concerned.

Sri M. GOVINDA REDDY.—Have we got the requisite technical staff to work this plant?

The Hon'ble Sri H. C. DASAPPA.—Luckily for us, we have, because we have a Fertiliser Plant already, but more, if necessary, can be certainly got trained and there is provision for the training of our technical personnel.

Sri M. GOVINDA REDDY.—Is that staff Indian or foreign?

The Hon'ble Sri H. C. DASAPPA.—The staff is bound to be Indian, but just at the intial stages we may have a few foreigners.

Sri M. GOVINDA REDDY.—Have the technical staff who have to work this plant worked any such plants before?

The Hon'ble Sri H. C. DASAPPA.—Surely; it is only people who have full knowledge of the working of such plant that will be imported to run the concern for some time.

Government's investment in Hindustan Aircraft Factory.

*Q.—196. **Sri V. M. MASCARENHAS** (Retroceded Area—General).—

Will the Government be pleased to state:—

(*a*) the amount invested by them in the Hidustan Aircraft Factory,

(*b*) if any return has been realised by the Government so far; and if so, the amount?

*A.—**The Hon'ble Sri H. C. DASAPPA** (Minister for Finance and Industries).—

(*a*) Rs. 58·33 lakhs (Rs. 25 lakhs in 1940-41 and Rs. 33 1/3 lakhs in 1947-48).

(*b*) Rs. 12·50 lakhs in 1942-43 and Rs. 1·75 lakhs has been allotted in the form of bonus shares for 1949-50 (year ended 31st March 1950).

Sri V. M. MASCARENHAS.—Am I right in saying that these Rs. 12·50 lakhs are a return on the investment?

The Hon'ble Sri H. C. DASAPPA.—Yes, obviously.

Sri V. M. MASCARENHAS.—There is what is called 'return on the investment' as opposed to 'return of the investment.'